

Capitol Region Council of Governments
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DATE: MARCH 11, 2010
TO: CHAIRMEN AND MEMBERS OF APPROPRIATIONS COMMITTEE
FROM: MARY GLASSMAN, TREASURER, CRCOG POLICY BOARD
MELODY CURREY, CHAIRMAN, CRCOG POLICY BOARD
LYLE D. WRAY, PhD, EXECUTIVE DIRECTOR
SUBJECT: CONCERN REGARDING GOVERNOR'S MARCH 1, 2010 DEFICIT MITIGATION PLAN

The Capitol Region Council of Governments (CRCOG) is a Regional Planning Organization (RPO) representing 29 towns and cities surrounding Hartford, CT. Our members have collaborated for more than 30 years on a wide range of projects to benefit our towns individually and the region as a whole.

We wish to express our opposition to several cuts proposed in Governor Rell's March 1, 2010 Deficit Mitigation Plan which will negatively impact the ability of CRCOG to effectively serve our region, and the ability of our towns to meet regional housing needs and fully fund their local government services. These proposals are:

- Elimination of State Grant In Aid for Regional Planning funding;
- Elimination of HOMEConnecticut Funding;
- Reduction in Department of Social Services non-entitlement programs including \$6.2 million for Housing and Homeless services such as Rental Assistance Payments that are used to help once-homeless individuals and families afford safe, secure housing;
- Delay of \$1.8 million in debt service payments for Next Steps Initiative supportive housing construction; and
- \$45 million reduction of municipal aid for FY2011.

Following is an explanation of why we oppose these funding cuts.

Elimination of State Grant in Aid for Regional Planning

The local government fiscal crisis we find ourselves in will not go away. Without significant changes to the way local governments provide services, programs will continue to be cut, professionalism and morale within local governments will continue to suffer, and citizens will continue to pay higher local property taxes. CRCOG is committed to facilitating regional service sharing, but recognizes the need for a funding to get the most promising projects implemented. We also strongly assert that regional coordination by a RPO like CRCOG that can facilitate decision-making and provide technical assistance is vital to the success of these projects. This proposal removes funding from RPOs and hampers this important coordination role.

A key funding source that allows CRCOG to continue our work in cooperative purchasing, municipal services, and fulfilling legislative mandates concerning regional land use planning is being proposed to be eliminated in the Governor's Deficit Mitigation Plan. That source is the **State Grant in Aid (SGIA)** for Regional Planning, which was funded in FY2009 at \$1,000,000 for all 15 RPOs. For the current fiscal year, we were cut to \$125,000 for 15 agencies. This plan proposes to not fund any SGIA in the current fiscal year and eliminate funding into the future.

The SGIA is vital for us to operate, and is used to leverage many times its value through allowing us to maintain core staff that are there to provide ongoing planning and administrative services, pursue grant opportunities to benefit our towns, and develop and carryout both new initiatives and state-mandated planning responsibilities. Any reduction in the SGIA hampers our ability to administer programs on which our 29 member towns rely and place a high value on.

Here are just some of the regional initiatives supported by the SGIA:

- Our core regional planning activities including: statutory review of zoning and subdivision proposals for potential intermunicipal impacts and relationship to regional plans and policies, preparation and update of the Regional Plan of Conservation and Development, and assistance on preparation of the State Plan of Conservation and Development.
- Grant application development that has led to funding of studies/technical assistance to support better coordination of transportation and land use planning, responsible growth, development of regulations and policies to keep working farms viable and a part of our regional economy, and mitigate the losses of life and property due to natural hazards.
- Staff to develop and administer new programs. CRCOG staff was able to bring \$1.2 million in EPA brownfields assessment money into the region to establish the MetroHartford Brownfields Assessment Program. Assessment grants have been leveraged with other state, federal and private investment to result in projects such as the Goodwin College Riverfront Campus, and completion of the Hartford/East Hartford Connecticut River Park System (specifically the Riverwalk South/Colt Gateway segment).
- Having core, SGIA-funded staff available allowed us to apply for, receive and successfully administer nearly \$5.2 million in OPM Regional Performance Incentive Grants. CRCOG and its towns are now carrying out 10 projects that rely heavily on CRCOG staff support for implementation.
- CRCOG local assessments and the SGIA continue to support the 42 year old Capitol Region Purchasing Council (CRPC) program, which saved its 81 member towns in FY 2009 over \$1.4 million. The Council conducts cooperative bids annually for a variety of goods and services. The Council also runs a Natural Gas Procurement Program that serves 33 municipalities (7 million ccfs), an Electricity Consortium serving 13 members (41 million kWh), and an Indefinite Quantity Construction program.
- When the towns have an issue that needs to be explored, CRCOG staff are available to address this issue in a coordinated fashion. One example is our Solid Waste Activities. We have made significant progress on this vital issue to our members because of staff that are funded by SGIA.

Clearly, CRCOG simply cannot continue to apply for, manage, and administer grants to towns without necessary operating funds. Not only do many grants require a cash match, but few allow CRCOG to capture the full administrative costs associated with the grant management and administration. Also, we cannot continue to fulfill state mandated regional planning activities, which support the Governor's Responsible Growth Initiative, without the support of the State Grant in Aid.

Many of the other benefits that CRCOG brings are less quantifiable, but nonetheless tangible to our members. In an era where towns are going to need to cooperate, coordinate and consider shared or consolidated services in order to deal with our fiscal crisis, CRCOG is a vital mechanism for advocating for and supporting our towns as a group.

Elimination of HOMEConnecticut Funding

This proposal would eliminate \$1.8 million remaining in the HOMEConnecticut program despite its wide success in moving municipalities to plan for higher density mixed-income housing. Towns in the Capitol Region and throughout the State have pursued the creation of incentive housing zones with the promise that they would receive incentive payments for the creation of the zones, and also for the actual construction of affordable housing units. Furthermore, additional towns wish to participate in the program, but have been denied planning grants because of the threat that state funding for this program would be cut. The affordable housing that will be created through the HOMEConnecticut Program is necessary to fuel Connecticut's economic recovery—now is not the time to withdraw funding from this highly successful program.

Actions That Will Exacerbate Homelessness

The Capitol Region Council of Governments has long supported policies and programs that help individuals move from homelessness to stable housing situations. Particularly in light of these difficult economic times, we oppose the following actions that will exacerbate homelessness in our region, and our state:

- Reduction in Department of Social Services non-entitlement programs including \$6.2 million for Housing and Homeless services such as Rental Assistance Payments that are used to help once-homeless individuals and families afford safe, secure housing.
- Delay in debt service payments of \$1.8 million for Next Steps Initiative supportive housing construction. Supportive housing has been proven to be an extremely cost-effective way to move individuals from chronic homelessness to stable housing situations.

Reductions in State Aid to Municipalities

The Governor's proposed \$45 million cut in State Aid to Municipalities is in addition to the \$12 million in cuts the Governor proposed in February. While we appreciate the legislature's attempts at mandate relief, these cuts in State Aid to Municipalities are simply untenable. Our services have been cut, our budgets have been slashed, and yet we still find ourselves squeezed between maintaining the lowest possible local property taxes and these proposed cuts. We urge you to find ways to fulfill your obligations to municipalities.

We appreciate your time and attention to these concerns regarding the Governor's March 1, 2010 Deficit Mitigation Plan and are available any time to discuss them with you further.

